December 15, 2021
W FINANCIAL FUND, LP
MID-QUARTER UPDATE

Dear W Financial Investors,

We hope that everyone has been enjoying the holiday season, spending time with family and friends, while we all continue to "roll with the punches" arising from the persistent and ever-changing coronavirus pandemic. We are pleased to provide this Mid-Quarter Update to keep you apprised of new loan activity and loan repayments, as well as updates on any loans in default, and the actions we are taking to resolve them, as we continue to navigate through our remaining Covid-related portfolio issues.

As of this writing, we have 59 loans in our portfolio totaling $308,878,093, net of participations.

New Loan Originations and Repayments:

Since the end of Q3 2021, we have originated nine new loans totaling $21,300,000, secured by first mortgages on properties located in Manhattan; Bethlehem, Pennsylvania; Los Angeles, California; Columbus, Ohio; Naples, Florida; Cincinnati, Ohio, St. Petersburg, Florida and North Charleston, South Carolina.

Since the end of Q3, eight loans have been repaid totaling $39,124,668 (one in Brooklyn; one in New Orleans, Louisiana; two in New Jersey; one in Rochester, NY; two in San Diego, CA and one in Miami, Florida). We also received a partial paydown of $225,000 on a property located on Central Park West in Manhattan. As always, full details will be provided in the Q4 letter.

The Gale Chicago Update:

This $26,957,968 loan continues to perform well. In compliance with the terms of the Forbearance Agreement, the Borrower made an additional payment of $199,376.64 on December 1, 2021, which prepaid the interest due through January 12, 2022. The hotel reopened on July 1st and the borrower is working to refinance the loan and expects to complete the refi during the next few months. This is a link to the hotel's website: www.galechicago.com.

150 East 79th Street Update:

This $43,600,000 loan is collateralized by a five-building assemblage located at the corner of East 79th Street and Lexington Avenue in Manhattan. We had commenced a foreclosure action on

May 3rd. Initially, the Borrower was able to delay their response due to the NYS moratorium on mortgage foreclosures, which was subsequently extended several times, most recently until January 15, 2022. During the course of these NYS-mandated moratorium extensions, we were able to negotiate with our Borrower, and he agreed to respond by the beginning of December. As we have finally received the Borrower's response, our litigation can now proceed forward without additional delay.

This is good news as we are now fully engaged and moving forward with the foreclosure process. While many factors (including, for example, the borrower filing bankruptcy or litigating aggressively), can extend the duration, we hope to be able to complete the process in 2022. In the interim, the Borrower continues to send us the monthly net rents generated by the property.

Some General Market Context:

Once we complete the foreclosure process, then the most logical and likely buyer of the Lexington and 79th Street site will be a residential real estate developer, and meanwhile, while this litigation is proceeding, the luxury residential market in Manhattan continues recovering.

Since residential developers often target multi-building development sites such as this one (known as an assemblage), especially when they are located on a prominent corner, we think this generally bodes well for our eventual disposition of this assemblage once we reach the end of the foreclosure process.

This recent New York Times article will give you a sense of how market activity and sales velocity in New York City has been improving: https://www.nytimes.com/2021/10/05/realestate/new-york-real-estate-sales.html. The Wall Street Journal also featured a similar article on October 19th entitled "New York Housing Demand Surges After Pandemic Slowdown".

Since our first mortgage loan is collateralized by a development site, we convey this information purely to give you some general market context.

As always, feel free to contact David Heiden at (516) 633-1424 or Gregg Winter at (917) 885-0990 with any questions you may have. You can also contact our CFO Adam Windwer at (212) 532-9284. Alternatively, you can email us directly at gregg@w-financial.com, david@w-financial.com and adam@w-financial.com.

If your preferred email or mailing address has changed, please contact Karen Mannoia in Investor Relations at (212) 532-9178 or (631) 750-0937 | karen@w-financial.com.

Wishing you and your family a healthy and very happy New Year!

Very truly yours,
W FINANCIAL FUND, LP